



ICO NEWSLETTER

Volume 10, Issue 2

August 2007

ICMP Update

As you are aware the Division is working on the new release of the ICMP. We are incorporating internal and industry comments, existing variances, new products including slot coupon and wireless capabilities and reviewing the structure of each section of the ICMP. This is a tedious task we take very seriously and feel that it will be time well spent. Based on the complexities of this project we anticipate that a second internal and industry review is warranted. The tentative plan, at this point, is to have the revised ICMP ready for a second review by the industry in mid-September. The review period is anticipated to provide at least a week for industry review. We appreciate the industry's understanding and patience in regard to this project and look forward to a successful implementation.

ICMP hard copies will no longer be available.

In order to reduce the Division's printing costs, hard copies of the ICMPs will no longer be provided in the offices. Each casino will receive one hard copy, and can obtain more by copying the original or [by going to the Division's website](#). There will be a limited number of electronic copies available on CD for those without internet access.

New Office in Cripple Creek

The Division of Gaming office in Cripple Creek is moving to a new building at 350 W. Carr St. The office will be closed on August 30-31 during the move, meaning no license applications will be processed on those two days. The office will reopen at the new facility on Tuesday, Sept. 4.



New and Improved Minimum Bankroll

Good news everyone, the Minimum Bankroll Analysis (MBA) worksheet has been IMPROVED!! The last MBA revision created a lot of questions from the industry in regard to what information was required and how the Division wanted the MBA to be completed. So based on these questions and reviews of the industry completed MBA's, the Division has made the MBA worksheet an easier tool to use and understand.

A big change is now instead of having the MBA Instructions and the MBA Worksheet as two separate documents, these documents have been combined into one easy to use Excel Workbook. Another change made was to the MBA worksheet itself. People using it will notice that some input fields will only accept certain types of information through the use of drop-down lists. Along with this, the MBA worksheet also provides immediate feedback when certain input fields are completed incorrectly. These changes are meant to make the completion of the MBA worksheet a much simpler process.

The Division is asking the ICO's to pass this information onto their casino's accounting department, and in doing so, also express that every time the MBA worksheet is being completed the most recent version of it should be pulled and saved from the Division's website at: <http://www.revenue.state.co.us/Gaming/Documents/MBA.xls>. Please note any casinos operating a 2003 version of Microsoft Excel should have the free Microsoft Office 2003 Service Pack 2 (SP2) update installed to allow for all the new MBA attributes.

Technology Section

The Division recently reorganized and created the new Technology Section. The Technology Section works together as a unit to research and analyze new technologies to draft regulations and internal control minimum procedures to implement these new technologies and to ensure that information systems are reliable and have required security features. The Technology Section consists of the previously known Emerging Technology Section and the Information System audit staff. Following is the list of Division staff in the Technology Section and their roles.

Don Burmania in the Lakewood office is the Division's Technology Manager in charge of the research, analysis and approval of end-to-end slot machine systems, including gaming devices and information systems.

Ray Cherhoniak in the Lakewood office is the Division's Field Operations Manager in charge of the machine approval process and table games applications. **Jeff Marone** in the Central City office is the Division's Field Operations Supervisor responsible for overseeing field testing and forensic investigation of malfunctioning slot machines by supervising the Division's three compliance investigators—**Mike Hartley** in Cripple Creek and **Ken Page** and **Ward Casburn** in Central City/Black Hawk.

Georgia McBride in the Lakewood office is the Division's Technical Systems Manager responsible for the testing and approval of slot monitoring systems and other information technology systems. She manages four technical systems specialists—**Rich Nelson**, **Mike Barrows** and **Mary McGhee** in Lakewood and **Deb Gorham** in Cripple Creek.



Field Trial Procedures Established

The Technology Section would like to remind casinos and manufacturers that all new products being introduced into Colorado gaming may be subject to a field trial prior to industry wide installation.

The Field Operations group is responsible for field trials for slot machines and associated gaming device hardware. The Technical Systems group is responsible for field trials for slot monitoring systems, external bonusing systems, system progressive modules, and other gaming related information technology systems.

New products are first tested for functionality by the manufacturer and then sent to a certified test lab for additional testing in relation to the rules, regulations and ICMPs for Colorado. Once testing is completed at the lab, the lab in conjunction with the Division will determine if a field trial is required. The request for a field trial will be documented in the certification letter for the new device or system. A field trial will expose only one casino in each city to the new product for additional testing in a live gaming environment. The Division will closely monitor the installation, testing, metering and reporting, as applicable, of the product being field trialed. This will allow the manufacturer and casino to isolate any issues and correct them prior to implementation in multiple casinos, and allow the casinos to develop any additional procedures. Once the field trial is completed and approved, the product will be available for installation at other casinos. A new field trial at other casinos will not be required unless there are substantial variables that would warrant an additional field trial.

For information on Field Trials and Procedures, please see the Divisions website under [Division Sections - Technology Section](#). If you have questions in regard to the field trial process, contact a member of the Technology Section.

Check Max Bet Configurations

The Division's Field Operations staff has discovered several slot machines that are incorrectly configured to allow the slot machine to accept wagers that exceed the Constitutional \$5 maximum bet restriction. The problems tend to occur as the result of RAM clears, the clearing of machine tilts/errors, power surges or other events that cause a slot machine to reset to its default settings. The problems also usually occur with blackjack and keno game themes on multi-game machines.

Casino slot staff are encouraged to use the Slot Machine Checklist on the Division's website, which contains a line that must be initialed that states "the max bet does not exceed \$5.00 limit on all games offered for play." Any questions regarding possible configuration issues should be addressed to the Compliance Investigators in the two Division field offices.



Streak Blackjack

At the most recent meeting of the Table Games Committee, Investigator Brad Nelson of the Cripple Creek office posed a question regarding Streak Blackjack that had been asked of him by one of the casinos in Cripple Creek. This question dealt with what is considered "consecutive" hands as defined in Rule 8, 47.1-834.6(2) Streak. The question is what happens to a player's streak wagers if they have to leave the table for whatever reason (i.e. need to use the bathroom) after placing those wagers. The Division has ruled since the inception of Streak Blackjack that "consecutive" means consecutive hands on the table, NOT consecutive hands played by individual players. Therefore, if a player chooses to leave the table during an active streak bet, they forfeit that bet. The pit supervisor, as a matter of house policy, may suspend play on that table to allow for someone to leave the table. If play is suspended, then the streak wager would still be active when that player returned. If you have any further questions regarding this please contact your local Division of Gaming office.

Child Intercept Bill

The child intercept bill was signed by the Governor and goes into effect July 1, 2008. The bill requires the casinos to check the Registry for all persons who win a taxable jackpot. If the patron is listed in the Registry the casino must withhold the amount of child support due from the patron's winnings. Upon withholding the funds from the jackpot, the licensee sends the amount withheld to the Registry. The Department of Human Services is responsible for providing the information to the Registry in regards to outstanding child support payments. At this time the Division of Gaming does not have any specific information or details on the implementation of the Registry. However, the Department of Revenue is working with the Department of Human Services in the development of the Registry and implementation of the bill. The Division updated the forms impacted by this bill, which will be included in the revised ICMP. The Division will provide additional information to the industry upon development and implementation of the Registry.

Commission Approves Four New Division Employees

The Gaming Commission on July 19 approved supplemental budget requests for the current fiscal year totaling \$315,147 to fund four additional FTE for the Division of Gaming.

Two compliance investigators will be added to the Field Operations section to inspect slot machines and devices to ensure they comply with software, configuration and technical regulatory standards. One of the compliance investigators will be placed in the Central City office, while the other will be employed in Cripple Creek.

Two background investigators will also be added to the Lakewood Investigations unit. The complexity of background investigations has grown over the years, along with the number of investigations.

The four FTE are the first time that the Division has added new FTE since 1995.

Division of Gaming

The Division of Gaming is currently recruiting to fill a vacant audit position in the Cripple Creek office. The job announcement and State application are located at

<http://www.gssa.state.co.us/announce/job%20announcements.nsf/ce0b9624fedb373587256499006e77a4/8ad96eb625f7da0487257340005445aa?OpenDocument>



A BIG THANK YOU!

Once again our thanks go out to the ICO's for timely submittal of their Internal Compliance Officer Reports for the period of January through June 2007. The Division recognizes that the preparation of the report requires a lot of time and responsibility, and the Division appreciates the efforts of the ICO's.

UPCOMING ICO MEETINGS

The next ICO meeting will be held in November 2007. You are encouraged to submit any questions or topics of discussion you would like addressed, either by the Division or your fellow ICO's. Please call or email your questions or topics to:

Garry Brown (303) 582-0529, gbrown@spike.dor.state.co.us,
Laurie Scott (719) 689-3362, lscott@spike.dor.state.co.us,
Shannon Voth (303) 205-1304, svoth@spike.dor.state.co.us.

CALENDAR OF EVENTS:

ICO Meetings

Wednesday, November 7, 2007 – Central City/Black Hawk, Division of Gaming office at 1:30 am.
Thursday, November 8, 2007 – Cripple Creek, Division of Gaming Office at 10:30 am.

Commission Meeting Dates:

- Thursday, September 20, 2007
- Thursday, October 18, 2007 at the Division's Cripple Creek office
- Thursday, November 29, 2007 Change of date due to G2E
- Thursday, December 20, 2007

Next ICO Report Due:

Thursday, January 31, 2007

This is the report for the period of July through December 2007.



USEFUL WEBSITES:

Drop & Count Form: <http://www.revenue.state.co.us/Gaming/documents/Section5forms.pdf>
(also available in Word format by email request, casinos@spike.dor.state.co.us)

ICO checklist: <http://www.revenue.state.co.us/Gaming/wrap.asp?incl=icolist>

Minimum Bank Roll form: <http://www.revenue.state.co.us/Gaming/Documents/MBA.xls>

Tax template: <http://www.revenue.state.co.us/Gaming/documents/tax.xls>